

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK**

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CLARENDON NATIONAL INSURANCE :  
COMPANY and CLARENDON AMERICA :  
INSURANCE COMPANY, :  
:

*Plaintiffs,* :

v. :

TRUSTMARK INSURANCE COMPANY :

*Defendant.* :

-----X  
TRUSTMARK INSURANCE COMPANY :

*Defendant, Counter-Plaintiff.* :

v. :

CLARENDON NATIONAL INSURANCE :  
COMPANY and CLARENDON AMERICA :  
INSURANCE COMPANY, :  
:

*Plaintiffs, Counter-Defendants.* :  
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09 cv 9896 (BSJ-MHD)

**DECLARATION OF PAUL RIDING**

I, Paul Riding, pursuant to 28 U.S.C. §1746, declare as follows:

1. I make this Declaration based upon my own personal knowledge, and if sworn as a witness, I will truthfully testify to the matters set forth herein.

2. I have been working in the Insurance and Reinsurance industry since November 1976 primarily placing business in the London insurance markets as well as markets in Bermuda, the USA, Australia and Switzerland.

3. The classes of Insurance I have handled include Aviation, Accident and Health, Reinsurance, Workers Compensation and Professional lines.

4. I have also handled Aviation claims for 7 years.

5. My interpretation of the widely used phrase "without prejudice" or "WP" and my understanding of the markets interpretation is that as part of the negotiation of any settlement, which may be outside of the strict terms of the original contract, both parties can offer a solution which cannot be used to set a precedent for future negotiations, whether on the same contract or otherwise.

6. This may include elements of the contract which may have been previously excluded.

7. Each subsequent negotiation following the agreed WP settlement must be treated as new and negotiated as such.

8. My understanding of market practice is that once a deal that is struck and consummated it stands alone and it is not market or business practice to unravel any consummated deal to suit either party at a later date unless agreed by all parties.

9. In my experience I have engaged many times with a number of different parties to negotiate WP agreements and during these negotiations there has been no doubt in my mind, that my understanding of WP has been shared by all parties involved.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on December 8th, 2010.

A handwritten signature in dark ink, appearing to read 'Paul Riding', written over a horizontal line.

Paul Riding

**CERTIFICATE OF SERVICE**

I, Everett J. Cygal, hereby certify that on December 20, 2010, a copy of the Declaration of Paul Riding was filed with the Clerk of the Court and served on the following counsel of record via the Court's CM/ECF system:

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By: /s/ Everett J. Cygal

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